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# SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST

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## COMMISSION ANNOUNCEMENTS

**HUGE NAMED TO ENFORCEMENT POST: FELLER TO ASSIST HERLONG.** Chairman William J. Casey today announced the appointment of Calvin K. Huge to the position of Assistant Director (Enforcement) of the Division of Trading and Markets. Mr. Huge had been serving as Legal Assistant to Commissioner A. Sydney Herlong, Jr. In his new assignment, Mr. Huge will be responsible for supervising and coordinating enforcement activities in the Commission's nine regional offices. A native of Nebraska, Mr. Huge joined the Commission in June 1966 in the Division of Corporation Finance, and served there through 1968 when he became associated with a New York law firm. He rejoined the Commission in November 1969 as Legal Assistant to Commissioner Herlong. Mr. Huge received his undergraduate degree from Florida State University and his law degree from Catholic University. He is a member of the District of Columbia Bar and lives with his wife and three children in Lovettsville, Virginia.

Commissioner A. Sydney Herlong, Jr. announced the appointment of Lloyd H. Feller as his Legal Assistant. Mr. Feller joined the Commission in February 1970 as part of the organized crime section of the Criminal Reference and Special Proceeding Section of the Division of Trading and Markets. Prior to that time he was engaged in the private practice of law in New York. Mr. Feller received his undergraduate degree from the Wharton School of Finance and his law degree from the New York University School of Law. He is a member of the New York Bar. Mr. Feller is a resident of Old Town, Alexandria, Va.

**SEC SETS HEARING ON DELMARVA POWER & LIGHT.** The SEC on Wednesday ordered that a hearing be held with respect to the Delmarva Power & Light Company holding company system to determine whether the System's gas properties and electric properties may be retained under common control, in accordance with the standards of the Public Utility Holding Company Act of 1935. Delmarva, with headquarters in Wilmington, Delaware, is a registered public utility holding company. It has two wholly-owned electric utility subsidiary companies, Delmarva Power & Light Company of Maryland and Delmarva Power & Light Company of Virginia. All three companies provide electric utility service in the "Delmarva Peninsula" region of Delaware, Maryland and Virginia. In addition to its electric utility business the parent company, Delmarva Power & Light Company, also owns and operates a gas utility business serving the City of Wilmington, Delaware, and surrounding areas.

The major issue presented for the Commission's determination is whether the gas utility business may continue to be owned and operated under common control with the electric utility business, or whether the Delmarva holding company system shall be required to divest itself of the gas business, under the standards of Section 11 of the Public Utility Holding Company Act of 1935. A public hearing on the matter will commence on a date to be hereafter announced by the Commission.

In the year ended December 31, 1971, the Delmarva System had total operating revenues of \$129.5 million, of which \$19.3 million were from the sale of gas; and on that date the System's gross utility property amounted to \$543 million, including \$49 million of gas properties. (Rel. 35-17530)

**STOCK TRANSACTIONS OF FINANCIAL INSTITUTIONS IN 1971.** The SEC announced on April 6 that, according to estimates during 1971, four of the leading institutional investor groups bought almost \$15 billion (net) of common stock. Net accumulation of common stock was 75 percent higher in 1971 than in the previous year for these financial institutions - private noninsured pension funds, open-end investment companies, life insurance companies, and property and liability insurance companies. Gross purchases were \$53.6 billion, and sales were \$38.7 billion, to produce net purchases of \$14.8 billion. (For further details see Stat. Release No. 2582).

**SEC URGES GREATER CLARITY IN FINANCIAL NEWS RELEASES.** The Commission on Wednesday urged issuers to exercise greater diligence in the release of information with respect to results of operations for fiscal years and for quarterly or other portions thereof. While most issuers have displayed great skill in presenting information so that its significance can be grasped by all and have done so in complete candor, some issuers have not been successful in their communications effort. The audience to which such information is presented includes a wide range of sophistication and depth of interest. Expert financial analysts and casual investors are among those to whom such information is addressed.

The most frequent area of weakness of corporate news releases is the comparison of results of current and preceding periods without setting forth with appropriate emphasis unusual items affecting the interim periods. The Commission's position in this regard as set forth in reporting forms should be considered by issuers in designing appropriate disclosures.

In some instances tax adjustments or tax management transactions made at the year-end have not been adequately explained with the result that the investing public has been furnished confusing information with regard to trends in the operations of an issuer. Since final computations of tax liability cannot be made until the results of operations of the full taxable period, usually the taxable year, are known, tax provisions for quarterly and interim periods are estimated. If such estimates differ materially from the computations for the full year, appropriate disclosure of the effect on the comparability of quarterly or other interim periods is necessary. Disclosure of the effect of elections to recognize revenues or expenses for tax purposes should be furnished also. (Rel. 34-9559)

OVER

U. S. STOCK TRANSFER CORP. REGISTRATION STATEMENT QUESTIONED. The SEC has ordered an administrative proceeding pursuant to Section 8(d) of the Securities Act of 1933 with respect to U. S. Stock Transfer Corporation of New York, New York. The Commission's Division of Corporation Finance alleges that the registration statement filed by U. S. Stock Transfer Corporation, which became effective on March 28, 1972 is misleading because it fails to disclose that the underwriter, Peripheral Systems, Inc., indicated, prior to the effective date of the registration statement, that it would not act as the underwriter. The Division also alleged that the registration statement failed to disclose the plan of distribution of the securities registered. A hearing has been ordered for 10:00 a.m. on April 18, 1972 at the offices of the Securities and Exchange Commission in Washington, D. C.

#### DECISION IN ADMINISTRATIVE PROCEEDINGS

WITHDRAWAL PERMITTED OF MARTIN D. WEISS RESEARCH REGISTRATION APPLICATION AND PRESIDENT SANCTIONED. The SEC announced the issuance of an order permitting withdrawal of the application for investment adviser registration of Martin D. Weiss Research, Inc., of Brooklyn, New York, and suspending its president, Martin D. Weiss, from association with any broker-dealer, investment adviser or investment company for a period of 4 months beginning April 10, 1972. The order further provides that, for a period of 8 months thereafter, Weiss may become so associated only in a non-supervisory and non-proprietary capacity, without handling customers' funds or securities, upon a satisfactory showing that he will be adequately supervised; and that in any association of such a type Weiss may not be connected in any way with certain individuals previously sanctioned by the Commission.

The Commission action was based on findings that Weiss violated registration and antifraud provisions of the securities acts in that "Money & Credit Reports," an investment advisory publication of which he was an editor, was utilized to promote the sale of an unregistered investment contract which operated as a fraud upon the public.

The Commission order was issued pursuant to an offer of settlement in which respondents, without admitting or denying the allegations in the Commission's order for proceedings, consented to the above findings and imposition of the indicated sanctions on Weiss (Release IA-314).

SECURITIES REGISTRATION OF PRODUCERS FINANCE COMPANY OF UTAH WITHDRAWN. The Commission today announced the issuance of an order withdrawing the 1965 registration under the Exchange Act of securities of Producers Finance Company of Utah, of Mesa, Arizona. The Commission found that Producers' registration of its securities was the result of a mistaken attempt to comply with the Act's requirement that companies with assets exceeding \$1,000,000 and a class of equity security not listed on a national securities exchange and held of record by at least 500 persons register the security with the Commission. It stated that, properly computed, Producers' assets did not exceed \$1,000,000 either at the time it registered or subsequently, and that, therefore, it would be appropriate to permit the company to withdraw its registration. (Rel. 34-9551)

SHEK TAAT CHEN BARRED. The SEC has barred Shek Taat Chen of Jamaica, New York, from being associated with a broker or dealer. The action was based on findings that Chen, a registered representative, had made false and misleading statements in the offer and sale of common stock of Computer Field Express, Inc., concerning, among other things, the nature and prospects of the stock and the issuer and a scheme to control the market in the stock. Chen, without admitting or denying the charges, consented to the indicated findings and the sanction. (Rel. 34-9553)

#### INVESTMENT COMPANY ACT RELEASES

BROAD STREET INVESTING CORP. The SEC has issued an order upon an application of Broad Street Investing Corporation, National Investors Corporation, Union Capital Fund, Inc., Whitehall Fund, Inc., Tri-Continental Corporation (the Investment Companies), Union Service Corporation (Union Service), Union Data Service Center, Inc. (Union Data) and Union Service Distributor, Inc. (Distributor), permitting (a) the Mutual Service Agreement among the Investment companies and Union Service Mutual Service and actions taken and arrangements made pursuant and incidental thereto, (b) the ownership of Union Data by Union Service and the arrangements for Union Data to provide data processing services to the Investment Companies on a cost-sharing basis, charges to the respective Investment Companies being in relation to work performed and (c) the proposed Mutual Service Distribution Agreement among the Investment Companies and Distributor and actions taken and arrangements made pursuant and incidental thereto or the related distribution agreements between Broad Street Investing, National Investors Union Capital Fund, Whitehall Fund and Distribution. (Rel. IC-7114)

CHASE CAPITAL FUND. The SEC has issued a notice giving interested persons until April 25 to request a hearing upon an application of Chase Capital Fund of Boston, Inc. (the Fund), for an order declaring that it has ceased to be an investment company. According to the application, the Fund sold substantially all of its assets to Chase Frontier Fund of Boston, Inc., a mutual fund registered under the Act, in exchange for the common stock of the Fund. Fund's common stock was distributed to its shareholders; as a result it has neither assets, nor unclaimed dividends or other distributions. (Rel. IC-7115)

BROAD STREET INVESTING CORP. The SEC has issued an order upon an application of Broad Street Investing Corporation, National Investors Corporation, Tri-Continental Corporation, Union Capital Fund, Inc. and Whitehall Fund, Inc. exempting from certain provisions of the Act the purchase or other acquisition of any security issued by or any other interest in the business of Union Service Corporation by applicants or any company or companies wholly-owned by them. (Rel. IC-7117)

GREAT LAKES FUND. The SEC has issued a notice giving interested persons until April 27 to request a hearing upon an application of Great Lakes Fund, Inc., Detroit mutual fund, for an order declaring that it has ceased to be an investment company. Organized in 1969, the Fund originally issued 100 shares of common stock to one shareholder. No other shares have been issued. A registration statement filed in October 1970 has not been made effective and pursuant to the Fund's request was withdrawn in March 1972. (Rel. IC-7116)

TAF ASSOCIATES, INC. The SEC has issued an order declaring that TAF Associates, Inc., East Setauket, N.Y., has ceased to be an investment company as defined in the Act. (Rel. IC-7112)

### SECURITIES ACT REGISTRATIONS

SCAN-DATA CORPORATION, 800 East Main St., Norristown, Pa. 19401, filed a registration statement on March 30 seeking registration of 430,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 30,000 (exercisable pursuant to outstanding warrants) by the holder or recipient thereof. The offering is to be made (\*at \$13 per share maximum) through underwriters headed by G. H. Walker & Co. Inc., 45 Wall St., and C. E. Unterberg, Towbin Co., 61 Broadway, both of New York, N.Y. The company is engaged in the design, development, manufacture and marketing of optical character recognition systems intended to facilitate input to data processing systems. Net proceeds of its stock sale will be used to repay outstanding short-term indebtedness used for working capital and for working capital and general corporate purposes. (File 2-43676)

MCMICHAEL INTERNATIONAL, LTD., 405 Main St., Port Washington, New York, filed a registration statement on March 30 seeking registration of 200,000 shares of common stock, to be offered for public sale at \$5 per share. No underwriting is involved. The company is engaged in distributing new sailboats through commission sales outlets. Of the net proceeds of its stock sale, \$600,000 will be used, together with other available funds, to finance expansion of the company's sailboat dealership business and the balance for other corporate purposes. (File 2-43679)

NUS CORPORATION, 4 Research Pl., Rockville, Md. 20850, filed a registration statement on March 30 seeking registration of 42,418 shares of Class A common stock, issuable pursuant to non-qualified options which have been granted to employees. (File 2-43681)

STONEHILL COMMUNICATIONS, INC., 38 East 57th St., New York, N.Y. 10022, filed a registration statement on March 30 seeking registration of 200,000 shares of common stock and warrants to purchase 100,000 common shares, to be offered for public sale in units, each consisting of two shares and one warrant. The offering is to be made at \$5 per unit by Occidental Securities Corp., 150 Broadway, New York, N.Y. The company was organized in August 1971 to engage primarily in the book publishing business. Of the net proceeds of its stock sale, \$100,000 will be used to purchase and produce about nine trade book titles and the balance for working capital and other corporate purposes. (File 2-43682)

MORSE ELECTRO PRODUCTS CORP., 101-10 Foster Ave., Brooklyn, N.Y. 11236, filed a registration statement on March 30 seeking registration of 525,000 shares of common stock, of which 350,000 are to be offered for public sale by the company, 100,000 (being outstanding shares) by the holder thereof (Philip A. Morse, board chairman and president) and outstanding warrants to purchase 75,000 shares by the holder thereof (The Prudential Insurance Company of America). The offering is to be made (\*at \$34 per share maximum) through underwriters headed by Paine, Webber, Jackson & Curtis Inc., 140 Broadway, New York 10005. The company is engaged in the production and sale at wholesale of moderately priced stereophonic consoles and compacts. Net proceeds of its stock sale will be used to pay in full short-term bank loans (aggregating \$7 million at March 22) incurred for capital purposes and the balance for general corporate purposes. (File 2-43683)

SWEDLOW, INC., 12122 Western Ave., Garden Grove, Calif. 92645, filed a registration statement on March 31 seeking registration of 400,000 shares of common stock, of which 300,000 are to be offered for public sale by the company and 100,000 (being outstanding shares) by the holders thereof. The offering is to be made (\*at \$19.125 per share maximum) through underwriters headed by C. E. Unterberg, Towbin Co., 61 Broadway, New York, New York 10006. The company is engaged in the manufacture of commercial grade acrylic sheet and the fabrication of plastic materials, principally acrylic. Of the net proceeds of its stock sale, \$4 million will be used to add to the company's continuous casting facilities and the balance used for working capital and other corporate purposes. (File 2-43684)

SERVOMATION CORP., 777 Third Ave., New York, N.Y. 10017, filed a registration statement on March 31 seeking registration of 200,000 shares of common stock, which may be issued from time to time in connection with the company's acquisition of businesses and properties. The company is engaged in the automatic vending and manual food service business. (File 2-43685)

TIDEWATER GROUP, INC., 217 East Main St., Norfolk, Va. 23510, filed a registration statement on March 29 seeking registration of 77,393 shares of common stock, and warrants to purchase 154,786 shares of common stock. Of these securities, it is proposed to offer 14,965 common shares and attached warrants to purchase 29,930 shares in exchange for the 49,883 outstanding shares of capital stock not owned by Tidewater of its subsidiary life insurance company, Atlantic National Life Insurance Company (formerly Woman's Life Insurance Company of America, Inc.), at the rate of \$1.50 in cash, 3/10ths of a share and an attached warrant for 6/10ths of a share for each Atlantic share. The remaining 62,428 shares and 124,856 warrants were issued by the company in January to certain stockholders of Atlantic in exchange for 208,117 shares of Atlantic capital stock (80.7% of the outstanding class). The company is engaged in the life insurance business through its subsidiary, Atlantic. (File 2-43590)

ORMAND COMMUNICATIONS, INC. (Communications), wholly-owned subsidiary of Ormand Industries, Inc., (Industries), 12011 San Vicente Blvd., Los Angeles, Calif. 90049, filed a registration statement on March 30 seeking registration of 324,237 shares of common stock. It is proposed to offer these shares for subscription by common stockholders of Industries, at the rate of one Communications share for each seven Industries shares held, and at \$3 per share. Communications is engaged in leasing outdoor advertising space. Of the net proceeds of its stock sale, \$200,000 will be used to reduce outstanding indebtedness to Industries and the balance for working capital and other corporate purposes. (File 2-43632)

WAL-MART STORES, INC., P. O. Box 116, Bentonville, Ark. 72712, filed a registration statement on March 31 seeking registration of 720,000 shares of common stock, of which 400,000 are to be offered for public sale by the company and 320,000 (being outstanding shares) by the holders thereof. The offering is to be made (\* at \$27.75 per share maximum) through underwriters headed by White, Weld & Co. Inc., 20 Broad St., New York 10005, and Stephens Inc., 114 East Capitol Ave., Little Rock, Ark. The company is engaged in operation of 53 retail stores, including 41 discount department stores. Net proceeds will be used to retire short-term indebtedness incurred for working capital purposes and for working capital and other corporate purposes. (File 2-43689)

JEFFERSON NATIONAL MUNICIPALS, INC., 1955 Merrick Rd., Merrick, N.Y. 11566, filed a registration statement on March 31 seeking registration of 100,000 shares of common stock and 100,000 warrants to purchase 50,000 shares, to be offered for public sale in units, each consisting of one share and a warrant to purchase 1/2 share. The offering is to be made (\*at \$5.50 per unit maximum) by Hay, Fales & Co., Inc., 50 Broadway, New York, New York 10004. The company proposes to engage in trading of general obligation (but not revenue) municipal bonds for its own account as a dealer. Net proceeds will be used for general corporate purposes. (File 2-43690)

**STOCK PLANS FILED.** The following have filed Form S-8 registration statements with the SEC seeking registration of securities to be offered pursuant to employee stock and related plans:

- Sun Life Insurance Company of America, Los Angeles, Calif. (File 2-43673) - 38,045 shares
- United Aircraft Corporation, East Hartford, Conn. (File 2-43677) - 300,000 shares
- Caterpillar Tractor Co., Peoria, Ill. (File 2-43678) - 487,500 shares
- Tasty Baking Company, Philadelphia, Pa. (File 2-43680) - 4,553 Class A common stock
- Standard Oil Company, New York, N. Y. (File 2-43687) - 1,414,285 shares and (File 2-43688) - 118,571 shares
- Skyline Oil Company, Salt Lake City, Utah (File 2-43692) - 50,000 shares
- Mountain Fuel Supply Company, Salt Lake City, Utah (File 2-43695) - 1,694 shares
- Filigree Foods, Inc., Totowa, N. J. (File 2-43699) - 65,942 shares
- Princeton American Bancorp, Princeton, N. J. (File 2-43700) - 58,785 shares and (File 2-43701) - 18,685 shares
- Dart Industries Inc., Los Angeles, Calif. (File 2-43706) - 1,284,600 shares
- General American Transportation Corporation, Chicago, Ill. (File 2-43708) - \$2,000,000 of interests

**SECURITIES ACT REGISTRATIONS.** Effective April 5: Baldwin & Lyons, Inc., 2-43276; Books Mobile, Inc., 2-39890 (90 days); Browning-Ferris Industries, Inc., 2-43340; First United Financial Corp., 2-42652 (90 days); Ocean Fisheries, Inc., 2-41561 (90 days); Pacsetter Building Systems, Inc., 2-42614 (July 4); Pacific Lighting Corp., 2-43309; Public Service Electric & Gas Co., 2-43362.

**NOTE TO DEALERS.** The period of time dealers are required to use the prospectus in trading transactions is shown above in parentheses after the name of the issuer.

\*As estimated for purposes of computing the registration fee.

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